

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 ACDA-12 IO-13 EB-08 NRC-05 OES-07 SOE-02
DOE-15 CEQ-01 AID-05 JUSE-00 /144 W
-----058860 261547Z /41/75

R 251325Z APR 78 ZDK
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 1184
INFO AMEMBASSY ISLAMABAD
AMEMBASSY MOSCOW
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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CORRECTED COPY (PARA 6)

E.O. 11652: GDS
TAGS: ENRG, TECH, IN, UR
SUBJECT: SOVIET SUPPORT FOR TARAPUR- A WORST CASE SCENARIO

1. IN ITS ANGER AND FRUSTRATION OVER THE CONTINUED DELAY IN THE SHIPMENT OF ENRICHED URANIUM FOR TARAPUR, THE INDIAN PRESS IS BEGINNING TO SPECULATE ON THE OPTIONS OPEN TO INDIA IF US NUCLEAR COOPERATION WITH TARAPUR COMES TO AN END. THESE OPTIONS ARE GENERALLY SEEN AS THREE: (1) SHUT DOWN THE TARAPUR NUCLEAR FACILITY; (2) RUN TARAPUR ON A LOCALLY BREWED MIXED OXIDE FUEL; OR (3) GET ENRICHED URANIUM FROM SOME OTHER COUNTRY. THE POSSIBILITY OF COAL FIRED BOILERS TO POWER TARAPUR'S TURBINES, MENTIONED BY SETHNA, DOES NOT APPEAR TO FITURE SIGNIFICANTLY IN PRESS SPECULATION. THE TWO COUNTRIES MENTIONED AS A POSSIBLE SOURCE FOR ENRICHED URANIUM FOR TARAPUR ARE FRANCE AND THE SOVIET UNION. FRANCE IS GENERALLY DISCOUNTED AS A SUPPLIER BECAUSE OF FRENCH DEPENDENCE ON THE U.S. FOR ENRICHED URANIUM.

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2. WE HAVE, OF COURSE, ALWAYS RCOGNIZED THAT THE SOVIET UNION COULD PROVIDE AN ALTERNATIVE SOURCE OF ENRICHED URANIUM FOR TARAPUR IF AND WHEN THE U.S. - INDIAN AGREEMENT WAS CONSIDERED NO LONGER OPERATIVE BY INDIA. IN THE LAST SEVERAL DAYS THE CONCATENATION OF SEVERAL EVENTS SUGGESTS THAT THE LIKELIHOOD OF THE INDIANS TURNING TO THE SOVIETS, OR THE SOVIETS INTERVENING

WITH AN OFFER, MAY BE GREATER OR MORE IMMINENT THAN WE HAD BELIEVED.

3. FIRST OF ALL, IN HIS APRIL 24 STATEMENT TO PARLIAMENT ON THE NRC DECISION (NEW DELHI 6420 NOTAL) DESAI SAID THAT BOTH THE DELAY IN SUPPLY OF ENRICHED URANIUM AND THE REFUSAL TO SUPPLY INDIAN REQUIREMENTS WOULD BE A BREACH OF THE TARAPUR AGREEMENT.

SECONDLY, IAEC CHAIRMAN SETHNA TOLD CONSUL GENERAL COURTNEY IN BOMBAY (BOMBAY 1013 BEING REPEATED ADDRESSEES) (1) THAT GOI LAWYERS WERE INTENT ON ESTABLISHING A CASE THAT THE U.S. HAS ALREADY VIOLATED THE AGREEMENT AND (2) THAT SETHNA HAD AN INVITATION TO VISIT THE USSR TO DISCUSS ISSUES OF MUTUAL INTEREST IN THE NUCLEAR FIELD.

4. THE TERMS OF THE TARAPUR AGREEMENT, INDIA IS OBLIGATED NOT TO SEEK ALTERNATIVE SOURCES OF SUPPLY WHILE THE AGREEMENT REMAINS IN EFFECT. CLEARLY, THE INDIANS ARE BECOMING INCREASINGLY PESSIMISTIC OF THE CHANCES OF WORKING OUT ARRANGEMENTS WITH THE U.S. WHICH WOULD GUARANTEE A CONTINUED SUPPLY OF URANIUM. IT IS CERTAINLY CONCEIVABLE THAT THEY WILL BEGIN ACTIVELY TO EXPLORE THEIR OPTIONS, NOT JUST TO PRESSURE US BUT ALSO TO FIND A WAY OUT OF THEIR DILEMMA.

5. IN DELHI WE ARE NOT AWARE OF ANY CONVERSATIONS OR UNDERSTANDING WE MIGHT HAVE WITH THE SOVIETS WITH RESPECT TO THE CONFIDENTIAL

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PROVISION OF ENRICHED URANIUM FOR TARAPUR. IT STRIKES US THAT THE SOVIETS COULD SUPPLY URANIUM FOR TARAPUR, A SAFEGUARDED FACILITY, WITHOUT VIOLATING ANY UNDERTAKING ENTERED INTO IN THE LONDON SUPPLIERS AGREEMENT. THE RECORD OF INDO-SOVIET RELATIONS OFFERS SEVERAL EXAMPLES (WHEAT, OIL, ARMS, THE BOKARO STEEL MILL) WHEN THE SOVIET UNION HAS MOVED IN TO HELP INDIA OUT OF SUPPLY DIFFICULTIES ATTRIBUTED DIRECTLY OR INDIRECTLY TO WESTERN ACTIONS. SOVIET PROVISION OF HEAVY WATER TO THE RAJASTHAN REACTORS WAS A RECENT INSTANCE OF SOVIET COOPERATION IN THE NUCLEAR FIELD. THIS SHIPMENT WAS, OF COURSE, IN FULL CONFORMITY WITH IAEA SAFEGUARDS.

6. IT WOULD CERAINLY BE A WORST CASE SCENARIO IF THE SOVIET UNION CAN END UP PLAYING HERO TO OUR VILLAIN IN THE TARAPUR DRAMA. WE DO NOT KNOW, OF COURSE, WHETHER THE SOVIETS WOULD BE PREPARED TO STEP IN TO TAKE THIS TEMPTING ROLE. NOR CAN WE BE CERTAIN THAT THE GOI WOULD WANT THEM TO. DESAI AND HIS COLLEAGUES WOULD BE WELL AWARE THAT SUCH A MOVE WOULD HAVE A PARTICULARLY JARRING IMPACT ON INDO-US RELATIONS, WHICH WE KNOW THE PRIME MINISTER HIGHLY VALUES. AT THE SAME TIME, PUBLIC AND POLITICAL PRESSURE FOR SUCH A QUICK FIX SUCH AS THE SUBSTITUTION OF SOVIET SUPPLIED URANIUM WOULD INVOLVE COULD WELL OVERRIDE SUCH CON-

SIDERATIONS.

7. WE WOULD BE INTERESTED IN ANY COMMENT EMBASSY MOSCOW MIGHT
HAVE ON THE PROSPECT
GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, SCIENTIFIC COOPERATION, SALES, URANIUM, NUCLEAR FUELS, TARAPUR
Control Number: n/a
Copy: SINGLE
Draft Date: 25 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE06512
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780177-0147, D780187-0274
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780420/aaaaaqha.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 630549a8-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2859360
Secure: OPEN
Status: NATIVE
Subject: SOVIET SUPPORT FOR TARAPUR- A WORST CASE SCENARIO
TAGS: ENRG, TECH, SOPN, IN, UR
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/630549a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014